

STATES OF JERSEY

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DRAFT INCOME TAX (AMENDMENT No. 29) (JERSEY) LAW 200-

**Lodged au Greffe on 9th October 2007
by the Minister for Treasury and Resources**

STATES GREFFE



Jersey

DRAFT INCOME TAX (AMENDMENT No. 29)(JERSEY) LAW 200-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000 the Minister for Treasury and Resources has made the following statement –

In the view of the Minister for Treasury and Resources the provisions of the Draft Income Tax (Amendment No. 29) (Jersey) Law 200 are compatible with the Convention Rights.

(Signed) **Senator T.A. Le Sueur**

REPORT

This draft Law gives effect to the shareholder taxation provisions whereby actual and deemed distributions will be assessed as a personal tax measure on the Jersey resident shareholders of 0% corporate rate and 10% rate corporates. In the case of an investment holding company, there will be an assessment on the Jersey resident shareholder of 100% of the tax adjusted income under 'look through' provisions. Loans made from 0% rate and 10% companies to Jersey resident shareholders will also be subject to taxation on the hands of the Jersey resident. However, loans made to Jersey resident shareholders of investment holding companies subject to 'look through' will not be charged to tax in their hands.

Financial and manpower implications

There are no financial or manpower implications for the States arising from the adoption of the Draft Law.

European Convention on Human Rights

Article 16 of the Human Rights (Jersey) Law 2000 requires the Minister in charge of a Projet de Loi to make a statement about the compatibility of the provisions of the Projet with the Convention rights (as defined by Article 1 of the Law). On 8th October 2007 the Minister for Treasury and Resources made the following statement before Second Reading of this Projet in the States Assembly –

In the view of the Minister for Treasury and Resources the provisions of the Draft Income Tax (Amendment No. 29) (Jersey) Law 200 are compatible with the Convention Rights.

Explanatory Note

Part 1 – Interpretation

Article 1 defines the Income Tax (Jersey) Law 1961 as the principal Law. The Income Tax (Amendment No. 28) (Jersey) Law 2007 was registered in the Royal Court on 22nd June 2007 and came into force on that day. Many of its provisions are expressed to have effect from the year of assessment 2008 or 2009. Therefore, this draft Law, insofar as it amends the principal Law with effect from either of those years of assessment, is amending the principal Law as it has already been amended by the Income Tax (Amendment No. 28) (Jersey) Law 2007.

Part 2 – Returns of information

Article 2 amends Article 16 of the principal Law. Article 16 is the provision that empowers the Comptroller to require taxpayers to make returns. These amendments enable the Comptroller to require that, when a return is made, information about sources of income is given, and also information about any disposal of a source of income. Note: Article 85 of the principal Law already requires that a statement of profits to be charged under Schedule D must include every source of the income to be charged.

Article 3 amends Article 18 of the principal Law. Article 18 empowers the Comptroller to require a person who receives income for another person to deliver a list of that income. The amendments, in line with the amendments to Article 16, enable the Comptroller to require that information is given about the sources of the income.

Article 4 inserts a new Article 82A in the principal Law.

Article 82A– Ownership of shares

This Article describes, for the purposes of Schedule D, the circumstances in which a person is deemed to be the owner of shares. It is relevant to the information to be provided on a tax return, under Article 16 of the principal Law and, from 2009 (and from 2008, in limited cases, in accordance with Part 8 of this draft Law), to the liability to pay tax on deemed dividends, on shareholder loans and on full attribution of a company's profits or gains.

Article 5 provides for Part 2 to come into force on 1st January 2008.

Part 3 – Corporate taxation: 2008

This Part makes further amendments to the principal Law so as to alter or add to amendments made by the Income Tax (Amendment No. 28) (Jersey) Law 2007, with effect from the year of assessment 2008.

Article 6 amends Article 3 of the principal Law so as to add 2 definitions.

Article 7 inserts Article 3AB in the principal Law.

Article 3AB– Subsidiaries

This Article describes when a company is to be treated as a subsidiary. In particular, it defines when a company is a 51% subsidiary of another. This definition is relevant to Article 123F (Group relief for financial services companies), inserted in the principal Law by the Income Tax (Amendment No. 28) (Jersey) Law 2007 and to Article 123EA (Group relief for non-financial services companies) and to Schedule A1 ('Trading company' defined) inserted respectively by Articles 15 and 20 of this draft Law.

Article 8 substitutes Article 88 of the principal Law.

Article 88– Deduction of tax from Jersey dividends

This substituted Article revises the right of a company in Jersey to deduct tax from dividends, so that it is confined to deductions from distributions of profits that are taxed on the company at either 20% or 10%. For the first time, what was previously implicit in the Law is made clear, namely, that the deduction counts as a tax credit against the recipient's liability. So, if a company taxed at 10% on its Schedule D profits deducts tax at that rate from a dividend paid out of those profits, the recipient has a credit in the amount of the deduction against his or her liability to tax on the gross dividend at the rate of 20%.

Article 9 amends Article 89 of the principal Law so as to ensure that a dividend paid by a Jersey company is accompanied by information regarding the gross dividend, any tax deducted and the rate of tax applied to the deduction that is sufficient to enable the recipient to complete his or her tax return and calculate his or her liability

to tax.

The purpose of the following amendments to Articles 107, 107A and 108 of the principal Law is to reduce the possibility that the adjusted profits of a company taxed at 0% or 10% are altered after a deemed dividend or a liability to tax according to full attribution has been calculated by reference to them.

Article 10 amends Article 107 of the principal Law so as to remove the right for a company taxed at 0% or 10% to apply for a repayment of tax for a year of assessment in respect of a loss sustained in that year.

Article 11 amends Article 107A of the principal Law so as to remove the right for a company taxed at 0% or 10% to seek to carry back a loss to an earlier year of assessment.

Article 12 amends Article 108 of the principal Law consequentially upon the amendment to Article 107, so as to make it clear that the fact that a company taxed at 0% or 10% can no longer apply for a repayment under Article 107 does not prevent the company carrying forward a loss under Article 108.

Article 13 amends Article 123C of the principal Law consequentially upon the amendment to Article 123D made by the following Article and so as to remove the requirement for a company taxed at 0% to use generally accepted accounting principles.

Article 14 amends Article 123D of the principal Law with the effect that a financial services company that would have been taxed at 10% by virtue of being regarded as resident in Jersey shall instead be taxed at 0% if, although resident, it does not have a permanent establishment in Jersey. As above, a company taxed at 10% is not to be required to use generally accepted accounting principles.

Article 15 inserts Article 123EA in the principal Law.

Article 123EA – Group relief for non-financial services companies

This Article allows companies taxed at 0%, and who are part of a group, to pass on losses so as to be offset against the profits of another company in the group. Although the companies themselves are taxed at 0%, group relief would benefit the owners of shares in the company whose profits are reduced by the use of group relief, as the share owners are liable to tax on undistributed profits of the company, as provided in Part 7 of this draft Law.

Article 16 amends Article 123F of the principal Law so as to reduce from 2 years to one year the period within which a claim for group relief may be made by companies taxed at 10%.

Article 17 provides for Part 3 to have effect for the year of assessment 2008 and ensuing years.

Part 4 – Alternative basis of computation for Cases III to VI of Schedule D

This Part imposes a new rule for the basis of computation applicable to the investment income of companies who are incorporated on or after 3rd June 2008 and charged to tax from incorporation at the rate of 0%, and to companies who will be charged to tax at the rate of 0% from 2009. These changes are to have effect for the year of assessment 2008 onwards and are preparatory and supplementary to the provisions for taxation of individuals resident in Jersey who own shares in such a company which are added to the principal Law by Part 7 of this draft Law.

Article 18 amends Article 3 of the principal Law so as to add definitions.

Article 19 inserts a cross heading and Articles 85A to 85E in the principal Law.

Alternative basis of computation for Cases III to VI of Schedule D

Article 85A – Companies to which alternative basis of computation for Cases III to VI applies

This Article describes the companies to which the alternative basis for computation of investment income under Cases III to VI of Schedule D applies. These are non-trading companies which are either incorporated on or after 3rd June 2008 and taxed at 0% from incorporation, or existing companies which will be taxed at 0% from 2009.

Article 85B – General provision as to period of computation for company to which Article 85A applies

This Article provides that, although income, profits and gains charged under Cases III to VI of Schedule D are ordinarily charged on an actual year basis, in the case of company to which Article 85A applies, they are to be charged on the basis of the financial period ending in the year of assessment.

Article 85C– Change of financial period and accounting date of company to which Article 85A applies

This Article provides alternative bases for assessment where the accounting date for a company to which Article 85A applies is altered. If the consequence is that there are 2 or more accounting dates in one year tax is charged under Cases III to VI of Schedule D for that year on the aggregate of the income, profits and gains of every financial period ending in the year. If the accounting date is altered, but not with the effect that there is no accounting date in a year, and the Comptroller is of the opinion that the change of date was not in good faith or for the purposes of good management, the Comptroller can assess the tax for the year in which the accounting date is altered, on the basis of the income, profits and gains for the period of 12 months preceding that date. If the accounting date is altered with the consequence that there is no accounting date in a year, the Comptroller may determine an accounting date for that year. The date determined will be the same day in the same month as the new accounting date that will fall in the following year. The company is then charged to tax on the income, profits and gains of the period of 12 months ending on the determined accounting date.

Article 85D– Incorporation of company to which Article 85A applies

This Article provides for the basis of assessment on the incorporation of a company to which Article 85A applies. If the first financial period of the company ends in the year in which it is incorporated (the first year), the company will be assessed under Cases III to VI of Schedule D for that year on the income, profit and gains of that first financial period. The more likely scenario is that the company will have a first financial period of 12 months, although it may have a financial period of up to 18 months. In that event, if the first financial period ends in the year following the first year of assessment (the second year) the company is assessed to tax for the first time in the second year, on the profits or gains of the first financial period. However, if the end of the first financial period falls in the following year (the third year) the company will be taxed in the second year on the basis of an accounting date determined by the Comptroller. In that case, when the company is taxed in the third year, any profits or gains already taxed in the second year are deducted before the assessment is made.

Article 85E– Apportionment of income, profits or gains of company to which Article 85A applies

This Article provides a method for apportioning profits or gains where a company to which Article 85A applies is to be assessed under Cases III to VI of Schedule D on a period other than its financial period. For example, where a company first treated as a company to which Article 85A applies is to be taxed in the second year of assessment on the basis of an accounting date determined by the Comptroller (see Article 85D) or where a company to which Article 85A applies which has changed its accounting date is to be taxed on a 12 month period (see Article 85C). If the method provided does not appear to the Comptroller to produce an amount of profits or gains that fairly represents the profits or gains of the company for the period in question, the Comptroller may direct that a different method of apportionment be used.

Article 20 inserts Schedule A1 in the principal Law.

Schedule A1 – “Trading company” defined

This Schedule defines a “trading company”. The definition is relevant to the definition “company subject to full attribution”, added by Part 7 of this draft Law and to the description of companies to which the basis of computation added by this Part applies.

Article 21 provides for Part 4 to have effect for the year of assessment 2008 and ensuing years.

Part 5 – Corporate taxation:2009

This Part makes further amendments to the principal Law as amended by the Income Tax (Amendment No. 28, (Jersey) Law 2007, for the year of assessment 2009 onwards, in respect of corporate taxation.

Articles 22 and 23 are consequential upon the amendments made by Articles 13 and 14. They repeat the effect but in relation to the principal Law as it would have effect for the year of assessment 2009.

Article 24 provides for Part 5 to have effect for the year of assessment 2009 onwards.

Part 6 – Trade of property development

This Part makes further amendments to the principal Law as amended by the Income Tax (Amendment No. 28, (Jersey) Law 2007 so as to provide for the taxation of the trade of property development under Schedule A.

Article 25 amends Article 51 of the principal Law with the effect that the new rule for taxation of the trade of property development under Schedule A is confined to cases where the land, building or structure is in Jersey. The consequence is that the trade of property development will continue to be taxed under Schedule D in two cases: where the trade is carried on in Jersey, but the land, building or structure is outside Jersey (Case I of Schedule D); and, where the trade is carried on outside Jersey and the land, building or structure is outside Jersey but the person carrying on the trade is resident in Jersey (Case V of Schedule D).

Articles 26 to 29 amend the principal Law consequentially upon Article 25 and having regard to the fact that the trade of property development may either fall to be taxed under Schedule A or under Schedule D, as describe above.

Article 30 provides for Part 6 to have effect for the year of assessment 2009 and ensuing years.

Part 7 – Deemed dividends, shareholder loans and full attribution

Article 31 amends Article 3 of the principal Law so as to add defined terms which are relevant to the amendments made to Schedule D by the following Articles of this Part.

Article 32 amends Article 3AA of the principal Law so as to enable the Minister to amend the definition “collective investment fund” by Order. In this way, the Minister may respond swiftly to changes in financial services legislation.

Article 33 amends Article 16 of the principal Law so as to provide for the making of returns of information regarding shareholder loans (see Article 81O, inserted by Article 37 of this draft Law). It also adds cross references to definitions which are used in relation to the new liability to tax on deemed dividends created by the following provisions of this Part.

Article 34 inserts Article 20B in the principal Law.

Article 20B– Returns of information by companies

This Article enables the Comptroller to require Jersey companies (apart from collective investment funds) to provide information about shareholders in the company and about dividends (deemed and actual) and loans paid, issued or made to shareholders, which are brought into the charge to tax under the new Case VIII, and about profits or gains of a company that are to be charged to tax on a shareholder as if they were the shareholder’s own, pursuant to the new rule for full attribution. However, a company which does not have any share owners who are Jersey resident individuals, and which has notified the Comptroller of that fact, cannot be required to make any return of information which would be required to calculate an individual’s liability to a deemed dividend or to taxation on full attribution under the following provisions of this Part.

Article 35 amends Article 61 of the principal Law. That Article describes the income, profits and gains to which Schedule D applies. It is amended so as to create the new charge to tax upon deemed dividends and shareholder loans. It is also made clear that a dividend distribution of revenue profits by a company is taxed on the recipient under Schedule D.

Article 36 amends Article 62 of the principal Law. Article 62 sets out the Cases under which tax is charged under Schedule D. Case III is amended to make it clear that dividends and other distributions by a Jersey company fall within it. A new Case VIII is added, which provides for the charge to tax on–

- (a) dividends deemed to have been paid, in circumstances specified in the new Articles 81D and 81G, by an unlisted trading company or unlisted financial services company to an individual who is resident in Jersey and who owns more than 5% of the ordinary share capital of the company;
- (c) shareholder loans made or paid by or derived from any company which is taxed at 0% or 10% (except a company subject to full attribution) to an individual who is resident in Jersey.

Article 37 inserts a new Article 62B in the principal Law.

62B – Application of Schedule D to stock dividends

This Article creates a charge to tax on stock dividends by providing for them to be treated as if they were the payment of a cash dividend of equal value.

Article 38 inserts a group of Articles (Articles 81B to 81P) in the principal Law which provide the detail of how tax is to be charged under the new Case VIII of Schedule D.

Case VIII

Article 81B– Interpretation of Articles 81B to 81N

This Article adds definitions which are used for the purposes of the new charge to tax, under Case VIII, or deemed dividends.

Article 81C– Basis of computation under Case VIII

This Article sets out the amounts and periods by reference to which tax under Case VIII is to be computed.

Article 81D– Deemed dividends: unlisted trading companies

This Article describes when a liability to pay tax on deemed dividends arises for an individual resident in Jersey who owns more than 5% of the ordinary share capital in a unlisted trading company. An unlisted trading company is a company taxed at 0% and which is not a company subject to full attribution, a collective investment fund or a publicly listed company.

The liability arises where the amount of cash dividends paid and stock dividends issued by the company out of its adjusted profits chargeable under Schedule D is less than the amount of those profits. The test is applied to the profits of a financial period and to the dividends paid or issued out of those profits up to the end of the following financial period.

If the dividends actually paid or issued are, in the aggregate, less than a prescribed percentage of the adjusted profits chargeable under Schedule D, the dividend will be deemed to be paid in 2 stages, as an interim dividend and a final dividend. Otherwise, if the dividends actually paid or issued are, in the aggregate, equal to or more than the prescribed percentage of those profits, the dividend will be deemed to be paid as a single, final dividend.

The States will prescribe, by Regulations, the percentage of adjusted profits chargeable under Schedule D which determines whether a dividend is deemed payable in 2 stages or as a single payment.

Article 81E– Deemed interim dividend

This Article describes when an interim dividend is deemed to be paid, and how the amount of the deemed interim dividend is calculated. The dividend is deemed to be paid on the last day of the financial period following the financial period in respect of which the deemed interim dividend arises. The interim dividend is calculated by first determining how much of the prescribed percentage of the adjusted profits chargeable under Schedule D, after deduction of dividends actually paid or issued, is attributable to each share comprised in the ordinary share capital of the company to find a total deemed dividend amount. Then, the interim dividend deemed to be paid to an individual resident in Jersey who owns more than 5% of the ordinary share capital of the company is calculated by reference to the number of ordinary shares that the individual owns and by reference to whether he or she owns more than 5% of the ordinary share capital for the whole, or only part of, the financial period.

For example: A company with an ordinary share capital of 100 shares has adjusted profits chargeable under Schedule D of £100,000 for a financial period. If the States were to make Regulations prescribing an interim dividend threshold of 60%, the relevant percentage of those profits would be £60,000. If the company has made actual distributions of dividends out of those profits of £40,000, the interim dividend per share would be calculated on the balance of £20,000, making the deemed interim dividend per share £200.

If an individual owns 40 shares in the company for the whole of the financial period, the individual is deemed to receive an interim dividend of £8,000, giving rise to a tax liability of £1,600.

If an individual owns 40 shares in the company for 200 days out of the 365 days that comprise the financial period, but either sells his or her shares in their entirety or reduces his holding to 5% or less for the remaining 165 days, the individual is deemed to receive an interim dividend of £4,384, giving rise to a tax liability of £877.

The date when an interim dividend is deemed to be paid is brought forward where the company is wound

up or where the owner of the shares ceases to be resident in Jersey.

Article 81F– Deemed final dividend

This Article describes when a final dividend is deemed to be paid and how the amount of the deemed final dividend is calculated. The final dividend is not deemed to be paid on a fixed date. Instead, it is only deemed to be paid upon the occurrence of one of certain events. The event would be the individual ceasing to own more than 5% of the ordinary share capital of the company, the winding up of the company, the death of the individual liable to pay the final dividend, the last day of a year, where the company is treated as a company subject to full attribution for the following year (in which event its profits or gains are taxed on the owners of its shares, in accordance with the amendments made by Article 41 of this draft Law), or the owner of the shares ceasing to be resident in Jersey.

The final dividend in respect of a financial period, per share, is calculated by reference to the adjusted profits chargeable under Schedule D, after deduction of the dividends actually paid or issued out of those profits. As before, the final dividend is calculated according to the number of shares comprising the ordinary share capital of the company. The liability of an individual resident in Jersey is then calculated according to the number of those shares that he or she owns, and whether he or she owns more than 5% of the ordinary share capital for the whole or only part of the financial period.

To continue the example above: the company's adjusted profits chargeable under Schedule D, after deduction of dividends actually paid or issued, are £60,000, giving a deemed final dividend of £600 per share. However, this is a case where an interim dividend was deemed to be paid (£200), which must be credited against the final dividend, leaving a balance of £400 per share.

In the case of the individual owning 40 shares for the whole of the financial period, the final dividend he or she is deemed to receive is £16,000, giving rise to a tax liability of £3,200.

In the case of the individual owning 40 shares for 200 days out of a 365 day financial period, but who own either none or less than 5% of the ordinary share capital for the remaining 165 days, the final dividend that he or she is deemed to receive is £8,767, giving rise to a tax liability of £1,753.

Article 81G– Deemed dividend: unlisted financial services companies

This Article describes when a liability to pay tax on a deemed dividend arises for an individual resident in Jersey who owns more than 5% of the ordinary share capital of an unlisted financial services company. An unlisted financial services company is a company taxed at 10% which is not a publicly listed company.

As with companies taxed at 0%, the liability arises where the amount of cash dividends paid and stock dividends issued by the company out of its adjusted profits chargeable under Schedule D is less than the amount of those profits. The individual resident in Jersey becomes liable to a single dividend, deemed to be paid on the occurrence of an event or on a date, being the same events or dates that trigger the deemed payment of a final dividend under Article 81F.

The amount of the deemed dividend is the amount of the undistributed adjusted profits attributable to each share comprised in the ordinary share capital of the company. However, because the company itself is charged to tax at 10%, the owner of the shares will receive a tax credit of an amount equal to so much of the tax payable by the company on those profits as is attributable to each share.

Article 81H– Deemed interim dividend: individual ceases to be share owner before deemed payment date

The fact that an individual disposes of his or her shares before the date an interim dividend is deemed to be paid does not affect his or her liability to pay it.

Article 81I– Deemed interim dividend: death of share owner

If an individual dies before the date an interim dividend is deemed to be paid, the tax on it is a debt due from the individual's estate.

Article 81J – Dividend deemed to be received on death of share owner

Similarly if, on the individual's death, a final dividend is deemed to be paid by a company taxed at 0% or a dividend is deemed to be paid by a company taxed at 10%, the tax on the dividend is a debt due from the

individual's estate.

Article 81K– Deemed dividend: right to receive a deemed dividend statement from an unlisted trading company

An individual who knows that he or she is liable to tax on a deemed dividend from an unlisted trading company is given the right to ask the company for a statement containing information that would assist the individual in completing his or her tax return and calculating his or her tax liability. The Comptroller may require that explanatory information about the deemed dividend regime is included in a statement issued by a company in response to a request under this Article.

Article 81L– Deemed dividend: right to receive a deemed dividend statement from an unlisted financial services company

An individual who knows that he or she is liable to tax on a deemed dividend from an unlisted financial services company is given a right to receive a statement which is equivalent to that in Article 81K.

Article 81M– Effect of change of status of company during financial period

This Article provides for the necessary apportionments to be made in a case where the company is, for only part of a financial period, a company in relation to which the liability to pay tax on deemed dividends arises.

Article 81N– Credit for tax on deemed dividend

This Article has the effect that, if an individual has paid tax on a deemed dividend, and subsequently receives a dividend out of the profits in respect of which the deemed dividend arose, he or she shall be entitled to a tax credit against his or her liability to tax on the dividend actually paid or issued.

Article 81O– Shareholder loans

This Article describes when and how a loan is charged under Case VIII. A loan is charged if it is to an individual resident in Jersey who owns shares in a company taxed at 0% or 10% (other than a company subject to full attribution), or to a member of that individual's family or household.

For the purposes of the charge, "loan" includes any debt incurred from the company and a debt due from the individual who owns the shares (or a member of his or her family or household) to a 3rd party which is assigned to the company. It also includes a loan made via an intermediary. However, the charge to tax does not apply to a loan made by a company in the ordinary course of its business as a moneylender, at a commercial rate: for example, where a shareholder in a high street bank takes a mortgage from that bank. Nor does it apply where the loan is a debt, in the form of credit given, on non-preferential terms, in the normal course of the company's trade. Nor does it apply to a loan which is already taxed as a benefit in kind of an office or employment: for example, where a director, who is also a shareholder, receives a loan as a part of his or her terms of appointment.

If the individual who owns the shares in the company makes a repayment of loan capital, he or she receives a credit against his or her tax liability for the year in which the repayment is made.

Article 81P– Shareholder loans: statements to be provided to borrower

This Article is supplemental to Article 81O. It requires a company which has made a shareholder loan to deliver a statement to the borrower, within 3 months of the end of the year in which the loan is made showing the amount attributable to the loan for the year. If the borrower makes a repayment of loan capital in a subsequent year, the company must deliver a statement showing the amount of the repayment and the amount originally attributable to the loan. In each case, the purpose of providing the statement is to assist the borrower in completing his or her tax return.

Article 39 amends Article 82 of the principal Law. Article 82 states who is liable to pay the tax on income charged under Schedule D. The amendment specifies that, in the case of a shareholder loan, it is the owner of the shares who is liable to pay the tax, even if the loan is made not to the share owner but to a member of that person's family or household.

Article 40 inserts Article 82B in the principal Law.

Article 82B– Payment of tax by trustees

This Article provides that, where an individual owns shares, as defined in Article 82A, by virtue of being a beneficiary of a trust, and is liable to tax on a deemed dividend or to be taxed on his or her share of the profits of a company on a full attribution basis, pursuant to Article 85F below, the tax shall instead be assessed on the trustees of the trust, as agents of the individual.

Article 4 inserts a cross heading and Articles 85F, 85G and 85H in the principal Law.

Full attribution of company profits

Article 85F– Individuals chargeable in respect of a company subject to full attribution

This Article provides that an individual resident in Jersey who owns more than 5% of the ordinary share capital of a company subject to full attribution will be charged to tax on the portion of the company's adjusted income, profits and gains that are chargeable at 0% under Schedule D, that equates to the individual's share in the company, as if the income, profits and gains were the individual's own.

There are 2 kinds of company subject to full attribution: a non-trading company which is taxed at 0%, and, a company that supplies the services of owners of shares in it, or persons connected with them, to a third person in circumstances in which the share owner or connected person would otherwise be the employee of the third person.

Article 82A of the principal Law (inserted in the principal Law by Article 4, above) describes when an individual is, for the purposes of the charge to tax, the owner of shares. An individual's share in a company is determined according to the number of shares comprised in the ordinary share capital of the company that he or she owns, and the period for which he or she owns more than 5% of that share capital. However, if the company is subject to full attribution by virtue of providing the services of share owners, or persons connected with them, to third parties in a relationship which is, but for the interposition of the company, a relationship between the third party and the share owner or connected person of employer and employee, the owners of the shares may, unanimously, elect for the balance of the income, profits and gains of the company to be apportioned between them in a way of their choosing.

Article 85G– Right to receive statement from company subject to full attribution

An individual who is liable to be taxed on full attribution may apply to the company for a statement containing the information that he or she will need to complete his or her tax return and calculate his or her tax liability. The Comptroller may require the company to include in the statement explanatory information about the liability to tax on full attribution.

Article 85H– Credit for tax on full attribution

This Article ensures that an individual who pays tax on the profits of a company pursuant to Article 85F is not taxed for a second time when the company pays or issues a dividend out of those profits.

Article 42 amends Article 88 of the principal Law (as substituted, for the year of assessment 2008 onwards, by Article 8, above) so as to extend its application to the issue of stock dividends.

Article 43 makes the like change to Article 89 of the principal Law (as amended, for the year of assessment 200 onwards, by Article 9, above).

Article 44 amends Article 133 of the principal Law so as to reduce the time by which an application for repayment of tax must be made under that Article by a company subject to full attribution.

Article 45 amends Article 137 of the principal Law. Article 137 creates offences relating to the fraudulent or negligent making of returns and the provision of other information under the Law. The amendment makes it clear that the existing offence of fraudulently or negligently furnishing, amongst other documents, a statement, applies to a statement that a person is required to supply to another person, by virtue of the new provisions inserted in the principal Law by this draft Law, as it applies to a statement that a person is required to furnish to the Comptroller.

Article 46 amends Schedule 5 to the principal Law so as to add a transitional rule regarding the taxation of the profits of a company which, for the year of assessment 2009, is taxed at 0% or 10%, where the profits arise before 1st January 2009 but are part of the profits of the financial period ending on or after that date.

Article 47 provides for Part 7 to have effect for the year of assessment 2009 and ensuing years.

Part 8 – Application of amendments to the principal Law to certain companies incorporated on or after 3rd June 2008 and taxed at 0% or 10%

The Income Tax (Amendment No. 28) (Jersey) Law 2007 has had the effect that, for all existing companies which qualify for it, the switch to taxation at 0% or 10% on Schedule D income takes effect for the year of assessment 2009 and onwards. However, it has also had the effect that a company incorporated on or after 3rd June 2008 and which qualifies, will be taxed at 0% or 10% on their Schedule D income from incorporation– that is, for the year of assessment 2008 and onwards. This Part applies to those newly-incorporated companies, with effect from 2008, all of the provisions which are supplementary to the taxation of companies at 0% or 10% and which will, in the case of all other companies, have effect only from 2009. The provisions are the amendments which ensure the continued taxation of the trade of property development in Jersey at the standard rate of 20%, by taxing it under Schedule A instead of Schedule D, the taxation of undistributed Schedule D profits through deemed dividends at the taxation of Schedule D profits by full attribution to the owner of the shares.

Article 48 describes the companies to which Part 8 applies, being companies incorporated on or after 3rd June 2008 and taxed at 0% or 10%.

Article 49 provides for the principal Law to have effect in relation to those companies, for the year of assessment 2008, with the amendments made by the Income Tax (Amendment No. 28) (Jersey) Law 2007 which provide for the taxation of the trade of property development in Jersey under Schedule A instead of Schedule D. The amendments only apply to all other companies taxed at 0% or 10% from 2009.

Article 50 provides for the principal Law to have effect in relation to those companies, for the year of assessment 2008, with the amendments made by Parts 6 and 7 of this Law, being further provisions as to the taxation of the trade of property development and the provisions for taxation of deemed dividends and profits on full attribution.

Article 51 amends Schedule 5 to the principal Law so as to add a record of the effect of the forgoing provisions of this Part.

Article 52 provides for Part 8 to have effect for the year of assessment 2008 and ensuing years.

Part 9 – Miscellaneous and closing

Article 53 amends Article 118B of the principal Law, for the year of assessment 2009 and ensuing years so as to add to the exemptions from taxation under Schedule D in the case of a non-resident. The exemptions added are for interest paid by a Jersey company, for the profits and earnings of the office of director of a company and for any royalty or other sum paid for use of a patent.

Article 54 empowers the Minister to amend Schedules 5 and 6 by Order. Schedules 5 and 6 are technical Schedules, creating transitional provisions and savings relating to amending Laws.

Article 55 cites the short title of the Law.



Jersey

DRAFT INCOME TAX (AMENDMENT No. 29)(JERSEY) LAW 200-

Arrangement

Article

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1 Interpretation

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2 Article 16 amended
3 Article 18 amended
4 Article 82A inserted
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6 Article 3 amended
7 Article 3AB inserted
8 Article 88 substituted
9 Article 89 amended
10 Article 107 amended
11 Article 107A amended
12 Article 108 amended
13 Article 123C amended
14 Article 123D amended
15 Article 123EA inserted
16 Article 123F amended
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18 Article 3 amended
19 Articles 85A to 85E inserted
20 Schedule A1 inserted
21 Years of assessment for which Part 4 has effect

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- 22 Article 123C amended
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- 25 Article 51 amended
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- 27 Article 62A amended
- 28 Article 107A amended
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- 31 Article 3 amended
- 32 Article 3AA amended
- 33 Article 16 amended
- 34 Article 20B inserted
- 35 Article 61 amended
- 36 Article 62 amended
- 37 Article 62B inserted
- 38 Articles 81B to 81P inserted
- 39 Article 82 amended
- 40 Article 82B inserted
- 41 Articles 85F to 85H inserted
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- 43 Article 89 amended
- 44 Article 133 amended
- 45 Article 137 amended
- 46 Schedule 5 amended
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PART 8

APPLICATION OF AMENDMENTS TO PRINCIPAL LAW TO CERTAIN COMPANIES INCORPORATED ON OR AFTER 3RD JUNE 2008 AND TAXED AT 0% OR 10%

- 48 Application of Part 8
- 49 Parts 5 and 7 of the Income Tax (Amendment No. 28) (Jersey) Law 2007 applied for 2008
- 50 Parts 6 and 7 of this Law applied for 2008
- 51 Schedule 5 amended
- 52 Year of assessment for which Part 8 has effect

PART 9

MISCELLANEOUS AND CLOSING

- 53 Article 118B amended

54

Article 149A amended

55

Citation



Jersey

DRAFT INCOME TAX (AMENDMENT No. 29)(JERSEY) LAW 200-

A LAW to amend further the Income Tax (Jersey) Law 1961.

Adopted by the States [date to be inserted]

Sanctioned by Order of Her Majesty in Council [date to be inserted]

Registered by the Royal Court [date to be inserted]

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

PART 1

INTERPRETATION

1 Interpretation

In this Law, “principal Law” means the Income Tax (Jersey) Law 1961^[1].

PART 2

RETURNS OF INFORMATION

2 Article 16 amended

In Article 16 of the principal Law–

(a) in paragraph (1), for sub-paragraph (b) there shall be substituted the following sub-paragraphs –

- “(a) the amount of the profits or gains arising to the person from each and every source (whether or not tax under this Law is deductible therefrom) chargeable according to the respective Schedules, calculated for the period specified in the notice and according to the provisions of this Law, showing separately such amounts as are allowed by way of deduction against the profits or gains;
- (b) an indication of each kind of source which is owned by the person at any time during the period specified in the notice, whether or not any profits or gains arise from a source in the period specified in the notice which are chargeable as described in sub-paragraph (a);
- (c) a description of each and every source, or of each source, or each source of a kind, specified in the notice, which is owned by the person at any time during the period specified in the notice, whether or not any profits or gains arise from the

source in that period which are chargeable as described in sub-paragraph (a);

(d) a description of each and every source, or of each source, or each source of a kind specified in the notice, which is acquired or disposed of by the person during the period specified in the notice, and the date of acquisition or disposal.”;

(b) for paragraph (2) there shall be substituted the following paragraph–

“(2) The said statement shall include a declaration by the person preparing and delivering it that, to the best of his or her knowledge and belief, the statement contains all of the particulars required by the notice and is true, complete and correct.”;

(c) in paragraph (4), after the words “Schedule D,” there shall be inserted the words “or the source of such profits, gains or income,”;

(d) after paragraph (4) there shall be added the following paragraph–

“(5) For the purposes of this Article, any reference to ownership of a source includes, in the case of an individual, ownership of shares, in accordance with Article 82A”.

3 Article 18 amended

In Article 18 of the principal Law–

(a) in paragraph (1) for the words “containing –” to the end of the paragraph there shall be substituted the following words –

“containing –

(a) a statement of all such money, value, profits or gains;

(b) a description of each and every source of such money, value, profits or gains;

(c) the name and address of every person who owns each source and whether, in each case the person is of full age, a married woman, resident in Jersey, an incapacitated person.”;

(b) after paragraph (2) there shall be added the following paragraphs–

“(3) The said list shall include a declaration by the person preparing and delivering it that –

(a) the list contains all of the information required by the notice pursuant to paragraph (1)(c) that is within his her knowledge; and

(b) the information contained in the list is, to the best of his or her knowledge and belief, true, complete and correct.

(4) For the purposes of this Article, any reference to ownership of a source includes, in the case of an individual, ownership of shares in accordance with Article 82A”.

4 Article 82A inserted

After Article 82 of the principal Law there shall be inserted the following Article–

“82A Ownership of shares

(1) For the purposes of Schedule D –

(a) an individual shall be deemed to own shares if the individual has any interest in them (whether equitable, legal or contractual) other than an interest as a bare nominee or bare trustee, and whether such interest is direct or through, or partly through one, or a series of, bodies corporate or trusts;

(b) an individual shall be deemed to own shares –

- (i) if the individual has any right to acquire or dispose of the shares,
 - (ii) if the individual has any right to vote in respect of the shares,
 - (iii) if the individual has any right to acquire, to receive, or participate in distributions of the company, or
 - (iv) if the individual's consent is necessary for the exercise of any right of other persons interested in them, or if other persons interested in them can be required, or are accustomed, to exercise their rights in accordance with the individual's instructions.
- (2) An individual shall not be deemed to own shares by virtue only of having entered into an agreement pursuant to which title to them shall pass to the individual at a future date.”.

5 Commencement of Part 2

This Part shall come into force on 1st January 2008.

PART 3

CORPORATE TAXATION: 2008

6 Article 3 amended

In Article 3(1) of the principal Law—

- (a) the following definition shall be inserted before the definition “accounting date” –
 - “ ‘51% subsidiary’ shall be construed in accordance with Article 3AB”;
- (b) after the definition “trade” there shall be added the following definition –
 - “ ‘utility company’ has the meaning given in Article 123C(3)”.

7 Article 3AB inserted

After Article 3A of the principal Law there shall be inserted the following Article—

“3AB Subsidiaries

- (1) For the purposes of this Law, a body corporate shall be deemed to be a 51% subsidiary of another body corporate if and so long as more than 50% of its ordinary share capital is owned directly or indirectly by that other body corporate.
- (2) For the purposes of this Article, ‘owned directly or indirectly’ by a body corporate means owned, whether directly or through another body corporate or other bodies corporate or partly directly and partly through another body corporate or other bodies corporate.
- (3) In this Article, references to ownership are references to beneficial ownership.
- (4) For the purposes of this Article the amount of ordinary share capital of one body corporate owned by a second body corporate through another body corporate or other bodies corporate, or partly directly and partly through another body corporate or other bodies corporate, shall be determined in accordance with paragraphs (5) to (9).
- (5) Where, in the case of a number of bodies corporate, the first directly owns ordinary share capital of the second, and the second directly owns ordinary share capital of the

third, then, for the purposes of this Article, the first shall be deemed to own ordinary share capital of the third through the second and, if the third directly owns ordinary share capital of a fourth, the first shall be deemed to own ordinary share capital of the fourth through the second and third, and the second shall be deemed to own ordinary share capital of the fourth through the third, and so on.

- (6) In this Article –
- (a) any number of bodies corporate of which the first directly owns ordinary share capital of the next and the next directly owns ordinary share capital of the next but one, and so on, and, if they are more than 3, any 3 or more of them, are referred to as ‘a series’;
 - (b) in any series –
 - (i) that body corporate which owns ordinary share capital of another through the remainder is referred to as the ‘first owner’,
 - (ii) that other body corporate the ordinary share capital of which is so owned is referred to as the ‘last owned body corporate’,
 - (iii) the remainder, if one only, is referred to as an ‘intermediary’ and, if more than one, are referred to as a ‘chain of intermediaries’;
 - (c) a body corporate in a series which directly owns ordinary share capital of another body corporate in the series is referred to as an ‘owner’;
 - (d) any 2 bodies corporate in a series of which one owns ordinary share capital of the other directly, and not through one or more of the other bodies corporate in the series, are referred to as being directly related to one another.
- (7) Where every owner in a series owns the whole of the ordinary share capital of the body corporate to which it is directly related, the first owner shall be deemed to own through the intermediary or chain of intermediaries the whole of the ordinary share capital of the last owned body corporate.
- (8) Where one of the owners in a series owns a fraction of the ordinary share capital of the body corporate to which it is directly related, and every other owner in the series owns the whole of the ordinary share capital of the body corporate to which it is directly related, the first owner shall be deemed to own that fraction of the ordinary share capital of the last owned body corporate through the intermediary or chain of intermediaries.
- (9) Where –
- (a) each of 2 or more of the owners in a series owns a fraction, and every other owner in the series owns the whole, of the ordinary share capital of the body corporate to which it is directly related; or
 - (b) every owner in a series owns a fraction of the ordinary share capital of the body corporate to which it is directly related,
- the first owner shall be deemed to own through the intermediary or chain of intermediaries such fraction of the ordinary share capital of the last owned body corporate as results from the multiplication of those fractions.
- (10) Where the first owner in any series owns a fraction of the ordinary share capital of the last owned body corporate in that series through the intermediary or chain of intermediaries in that series, and also owns another fraction or other fractions of the ordinary share capital of the last owned body corporate –
- (i) directly;
 - (ii) through an intermediary or intermediaries which is not a member or are not members of that series;
 - (iii) through a chain or chains of intermediaries of which one or some or all are not members of that series; or

- (iv) in a case where the series consists of more than 3 bodies corporate, through an intermediary or intermediaries which is a member or are members of the series, or through a chain or chains of intermediaries consisting of some but not all of the bodies corporate of which the chain of intermediaries in the series consists,

then, for the purpose of ascertaining the amount of the ordinary share capital of the last owned body corporate owned by the first owner, all those fractions shall be aggregated and the first owner shall be deemed to own the sum of those fractions.”.

8 Article 88 substituted

For Article 88 of the principal Law there shall be substituted the following Article–

“88 Deduction of tax from Jersey dividends

- (1) The profits or gains to be charged on any body of persons shall be computed in accordance with the provisions of this Law on the full amount of the same before any dividend thereof is declared in respect of any share, right or title thereto.
- (2) Where, pursuant to paragraph (1), a dividend is declared out of profits or gains charged to tax on any body of persons at the standard rate, the body of persons shall be entitled, when paying the dividend, to deduct tax at that rate from it.
- (3) Where, pursuant to paragraph (1) and Article 123D, a dividend is declared out of profit or gains charged to tax on any body of persons at the rate of 10%, the body of persons shall be entitled, when paying the dividend, to deduct tax at that rate from it.
- (4) Where, pursuant to paragraph (1) and Article 123C, a dividend is declared out of profit or gains charged to tax on any body of persons at the rate of 0%, the body of persons shall not be entitled, when paying the dividend, to make any deduction from it in respect of tax.
- (5) Where a deduction is made from a dividend pursuant to this Article –
 - (a) the person chargeable to tax on the dividend shall be entitled to a credit, in an amount equal to the amount of the deduction; and
 - (b) the amount of tax that the person is liable to pay in respect of the dividend shall be reduced by the amount of the credit.”.

9 Article 89 amended

For paragraph (1) of Article 89 of the principal Law there shall be substituted the following paragraph–

- “(1) Every warrant, cheque or other order drawn or made in payment of any dividend declared or interest distributed by any body of persons shall have annexed to it or be accompanied by a statement, in writing, showing in respect of each portion (if any) of the payment as is made out of profits or gains charged on the body of persons at, respectively, the standard rate, the rate of 10% and the rate of 0% –
 - (a) the gross amount of that portion;
 - (b) the rate of tax charged on the body of persons in respect of that portion;
 - (c) the amounts of tax deducted from the portion pursuant to Article 88(2) or (3), if any;
 - (d) the amount of the portion actually paid.”.

10 Article 107 amended

In Article 107 of the principal Law–

- (a) at the beginning of paragraph (1) there shall be inserted the words“Subject to paragraph (1A)”;
- (b) after paragraph (1) there shall be inserted the following paragraph–

“(1A) A company to which Article 123C or 123D applies shall not be entitled to make an application under paragraph (1)”.

11 Article 107A amended

In Article 107A of the principal Law–

- (a) at the beginning of paragraph (1) there shall be inserted the words“Subject to paragraph (1A)”;
- (b) after paragraph (1) there shall be inserted the following paragraph–

“(1A) A company to which Article 123C or 123D applies shall not be entitled to give notice under paragraph (1)”.

12 Article 108 amended

In Article 108(1) of the principal Law for the words“wholly given” there shall be substituted the words“given, or has been partially given,”.

13 Article 123C amended

In Article 123C of the principal Law–

- (a) for paragraph (1) there shall be substituted the following paragraph–

“(1) This Article applies to a company –

- (a) which is first regarded as resident in Jersey, or which first has a permanent establishment in Jersey, on or after 3rd June 2008; and
- (b) which is not a company to which Article 123D applies or a utility company”;

- (b) in paragraph (3), for the words“In paragraph (1),” there shall be substituted the words “In this Law,”;
- (c) paragraph (4) shall be deleted.

14 Article 123D amended

In Article 123D of the principal Law–

- (a) for paragraph (1) there shall be substituted the following paragraph–

“(1) This Article applies to a financial services company which first has a permanent establishment in Jersey on or after 3rd June 2008”;

- (b) paragraph (3) shall be deleted.

15 Article 123EA inserted

After Article 123E of the principal Law there shall be inserted the following Article–

“123EA Group relief for non-financial services companies

- (1) This Article applies where a qualifying company that is a member of a group suffers a

loss for a financial period (referred to in this Article as the ‘surrendering company’).

- (2) Another qualifying company that is a member of the same group (the ‘claimant company’) may apply for the relief described in paragraph (7).
- (3) An application under paragraph (2) must be—
 - (a) made by the claimant company no later than the expiration of one year following the year of assessment in which the financial period for which the surrendering company suffered the loss ended; and
 - (b) accompanied by a declaration made by the surrendering company in accordance with paragraph (5).
- (4) In its application, the claimant company must state –
 - (a) its financial period to which the application relates;
 - (b) its profits or gains for that period, having regard, where required, to paragraph (9).
- (5) In its declaration, the surrendering company must state –
 - (a) its financial period to which the application relates;
 - (b) its loss for that period, having regard, where required, to paragraph (9);
 - (c) the amounts (if any) of the loss previously surrendered under this Article, and to whom.
- (6) The Comptroller shall grant the relief if he or she is satisfied that, throughout the financial period for which the surrendering company suffered the loss, both companies were –
 - (a) qualifying companies; and
 - (b) members of the same group.
- (7) The relief is that, subject to paragraph (8), the surrendering company’s loss, or so much of it as is surrendered to the claimant company, is offset against the claimant company’s profits or gains for a financial period which is the same as, or overlaps with, the financial period for which the surrendering company suffered the loss.
- (8) Where the claimant company’s financial period only overlaps with the surrendering company’s financial period, the maximum amount of the surrendering company’s loss that can be surrendered to the claimant company is the portion of that loss that equates to the portion of the claimant company’s financial period that overlaps with the financial period of the surrendering company.
- (9) Where a company’s financial period exceeds 12 months, there shall be taken into account under this Article only such portion of the company’s loss or, as the case requires, the company’s profits or gains, of that period as equate to such portion that the period of 12 months is of the financial period.
- (10) For the purposes of this Article –

‘group’ means a qualifying company, which has one or more 51% subsidiaries which are all qualifying companies, together with that or those subsidiaries;

‘qualifying company’ means a company to which Article 123C applies’.

16 Article 123F amended

In Article 123F of the principal Law–

- (a) in paragraph (3)(a), for the words “2 years” there shall be substituted the words “one year”;
- (b) in paragraph (10), the definition “financial period” shall be deleted.

17 Years of assessment for which Part 3 has effect

This Part shall have effect for the year of assessment 2008 and ensuing years.

PART 4

ALTERNATIVE BASIS OF COMPUTATION FOR CASES III TO VI OF SCHEDULE D

18 Article 3 amended

In Article 3(1) of the principal Law, the following definitions shall be inserted in their appropriate places in the alphabetical order of definitions –

“ ‘ordinary share capital’, in relation to a company, means all the issued share capital (by whatever name called) of the company, other than preference shares;”;

“ ‘preference share’ means, in relation to a company, a share which confers a right to a dividend at a fixed percentage of the nominal value of the share, but no other right to share in the profits of the company;”;

“ ‘trading company’ shall be construed in accordance with Schedule A1”.

19 Articles 85A to 85E inserted

After Article 85 of the principal Law there shall be inserted the following cross heading and Articles–

“Alternative basis of computation for Cases III to VI

85A Companies to which alternative basis of computation for Cases III to VI applies

This Article applies to a company –

- (a) which is regarded as resident in Jersey or which has a permanent establishment in Jersey; and
- (b) which is not –
 - (i) a financial services company,
 - (ii) a utility company, or
 - (iii) a trading company.

85B General provision as to alternative period of computation for company to which Article 85A applies

- (1) Notwithstanding Articles 78, 80 and 81 but subject to Articles 85C to 85E, tax shall be computed under the relevant Cases, in the case of a company to which Article 85A applies, on the full amount of its income, profits and gains arising in the financial period ending in the year of assessment.
- (2) The relevant Cases are, for the purposes of paragraph (1) and Articles 85C to 85E, Case III to VI of Schedule D.

85C Change of financial period and accounting date of company to which Article 85A applies

- (1) Where, by virtue of a change in the financial period for a company to which Article 85A applies, there are 2 or more accounting dates for it in a year of assessment, tax shall be charged under the relevant Cases on the aggregate of the full amounts of the balance of profits or gains for each financial period ending on those dates.
- (2) Where –
 - (a) there is a change in the financial period for a company to which Article 85A applies;
 - (b) the new accounting date is in the year of assessment immediately following the year of assessment in which the preceding accounting date fell; and
 - (c) the Comptroller is of the opinion that the change is not made in good faith and for the purpose of facilitating the good management of the company,the Comptroller may charge tax under the relevant Cases, for the year of assessment in which the new accounting date falls, on the full amount of the balance of the company's income, profits and gains for the period of 12 months ending on that date.
- (3) Where –
 - (a) there is a change in the financial period for a company to which Article 85A applies;
 - (b) the new accounting date is neither in the same year of assessment as the preceding accounting date nor in the year of assessment immediately following that year; and
 - (c) the Comptroller is of the opinion that the change is not made in good faith and for the purpose of facilitating the good management of the company,the Comptroller may –
 - (i) determine an accounting date in the year of assessment immediately following the year of assessment in which the preceding accounting date fell; and
 - (ii) charge tax under the relevant Cases, for the year of assessment in which the determined accounting date falls, on the full amount of the balance of the company's income, profits and gains for the period of 12 months ending on that date.
- (4) The accounting date determined under paragraph (3) shall be the same day, in the same month, as the new accounting date.

85D Incorporation of company to which Article 85A applies

- (1) Subject to paragraph (2), where a company is a company to which Article 85A applies for its first year of assessment, tax shall first be charged under the relevant Cases, for the year of assessment in which the first financial period ends, on the full amount of the balance of the company's income, profits and gains arising in that period.
- (2) Where the first financial period of the company does not end in the first year of assessment or the second year of assessment, the Comptroller shall determine an accounting date in the second year of assessment for it.
- (3) Subject to paragraph (4), the accounting date determined under paragraph (2) shall be the same day, in the same month, as the accounting date which falls in the third year of assessment.
- (4) Where there is more than one accounting date in the third year of assessment, the first of those dates shall be used for the purposes of paragraph (3).
- (5) Where income, profits and gains are charged to tax under the relevant Cases in the second year of assessment by virtue of an accounting date being determined under

paragraph (2), tax shall be charged under the relevant Cases for the third year of assessment or the full amount of the income, profits or gains of the first financial period, after deduction of an amount equal to the income, profits or gains charged to tax in the second year of assessment by virtue of paragraph (2).

(6) For the purposes of this Article –

‘first financial period’ means the financial period beginning on the day the company is incorporated;

‘first year of assessment’, in relation to a company, means the year in which it is incorporated;

‘second year of assessment’ means the year following the first year of assessment;

‘third year of assessment’ means the year following the second year of assessment.

85E Apportionment of income, profits or gains of company to which Article 85A applies

(1) Where the period for which tax is to be charged under the relevant Cases on the full amount of the balance of the income, profits and gains of a company to which Article 85A applies does not coincide with a financial period, the full amount of the income, profits and gains for the financial periods which overlap with the period for which tax is to be charged shall be apportioned so as to arrive at the full amount of the income, profits and gains for the period for which tax is to be charged.

(2) Where the full amount of the balance of the income, profits and gains for the period for which tax is to be charged, determined in accordance with paragraph (1), does not, in the opinion of the Comptroller, fairly represent the full amount of balance of the income, profits and gains of the period for which tax is to be charged, the Comptroller may direct that the apportionment shall be made another way.”.

20 Schedule A1 inserted

Before Schedule 1 of the principal Law there shall be inserted the following Schedule–

“SCHEDULE A1

(Article 3(1))

‘TRADING COMPANY’ DEFINED

1 Interpretation of Schedule A1

(1) In this Schedule –

‘group of companies’ means a company which has one or more 51% subsidiaries, together with those subsidiaries;

‘holding company’ means a company which has one or more 51% subsidiaries;

‘joint venture company’ has the meaning given in paragraph 4(2);

‘qualifying shareholding’, in relation to a joint venture company, has the meaning given in paragraph 4(4);

‘trading group’ has the meaning given in paragraph 3.

(2) References in this Schedule to the acquisition of an asset that was provided rather than acquired, by the person disposing of it, are references to its provision.

2 'Trading company' defined

- (1) In this Law, 'trading company' means a company carrying on trading activities whose activities do not include to a substantial extent activities other than trading activities.
- (2) For the purposes of sub-paragraph (1), 'trading activities' means activities carried on by the company –
 - (a) in the course of, or for the purposes of, a trade being carried on by it;
 - (b) for the purposes of a trade that it is preparing to carry on;
 - (c) with a view to its acquiring or starting to carry on a trade; or
 - (d) with a view to its acquiring a significant interest in the share capital of another company that –
 - (i) is a trading company or the holding company of a trading group, and
 - (ii) if the acquiring company is a member of a group of companies, is not a member of that group.
- (3) Activities do not qualify as trading activities under sub-paragraph (2)(c) or (d) unless the acquisition is made, or (as the case may be) the company starts to carry on the trade, as soon as is reasonably practicable in the circumstances.
- (4) The reference in sub-paragraph (2)(d) to the acquisition of a significant interest in the share capital of another company is to an acquisition of ordinary share capital in the other company –
 - (a) such as would make that company a 51% subsidiary of the acquiring company; or
 - (b) such as would give the acquiring company a qualifying shareholding in a joint venture company without making the 2 companies members of the same group of companies.

3 Trading group

- (1) For the purposes of this Schedule 'trading group' means a group of companies –
 - (a) one or more of whose members carry on trading activities; and
 - (b) the activities of whose members, taken together, do not include to a substantial extent activities other than trading activities.
- (2) For the purposes of sub-paragraph (1) 'trading activities' means activities carried on by a member of the group –
 - (a) in the course of or for the purposes of a trade being carried on by any member of the group;
 - (b) for the purposes of a trade that any member of the group is preparing to carry on;
 - (c) with a view to any member of the group acquiring or starting to carry on a trade; or
 - (d) with a view to any member of the group acquiring a significant interest in the share capital of another company that –
 - (i) is a trading company or the holding company of a trading group, and
 - (ii) is not a member of the same group of companies as the acquiring company.
- (3) Activities do not qualify as trading activities under sub-paragraph (2)(c) or (d) unless the acquisition is made, or (as the case may be) the group member in question starts to carry on the trade, as soon as is reasonably practicable in the circumstances.

- (4) The reference in sub-paragraph (2)(d) to the acquisition of a significant interest in the share capital of another company is to an acquisition of ordinary share capital in the other company –
 - (a) such as would make that company a member of the same group of companies as the acquiring company; or
 - (b) such as would give the acquiring company a qualifying shareholding in a joint venture company without making the joint venture company a member of the same group of companies as the acquiring company.
- (5) For the purposes of this paragraph the activities of the members of the group shall be treated as one business (with the result that activities are disregarded to the extent that they are intra-group activities).

4 Qualifying shareholdings in joint venture companies

- (1) This Schedule has effect subject to the following provisions where a company (the ‘investing company’) has a qualifying shareholding in a joint venture company.
- (2) For the purposes of this Schedule a company is a ‘joint venture company’ if, and only if –
 - (a) it is a trading company or the holding company of a trading group; and
 - (b) 75% or more of its ordinary share capital (in aggregate) is held by not more than 5 persons.
- (3) For the purposes of sub-paragraph (2)(b) the shareholdings of members of a group of companies shall be treated as held by a single company.
- (4) For the purposes of this Schedule a company has a ‘qualifying shareholding’ in a joint venture company if –
 - (a) it holds 10% or more of the ordinary share capital of the joint venture company; or
 - (b) it is a member of a group of companies, it holds ordinary share capital of the joint venture company and the members of the group between them own 10% or more of that share capital.
- (5) For the purpose of determining whether the investing company is a trading company –
 - (a) any holding by it of shares in the joint venture company shall be disregarded; and
 - (b) it shall be treated as carrying on an appropriate proportion –
 - (i) of the activities of the joint venture company, or
 - (ii) where the joint venture company is the holding company of a trading group, of the activities of that group.
- (6) For the purpose of determining whether a group of companies is a trading group –
 - (a) every holding of shares in the joint venture company by a member of the group having a qualifying shareholding in that company shall be disregarded; and
 - (b) each member of the group having such a qualifying shareholding shall be treated as carrying on an appropriate proportion of the activities –
 - (i) of the joint venture company, or
 - (ii) where the joint venture company is the holding company of a trading group, of that group.
- (7) Sub-paragraph (6) does not apply if the joint venture company is a member of the group.
- (8) In sub-paragraphs (5)(b) and (6)(b) ‘an appropriate proportion’ means a proportion corresponding to the percentage of the ordinary share capital of the joint venture

company held by the investing company or, as the case may be, by the group venture concerned.

- (9) For the purposes of this paragraph, the activities of a joint venture company that is a holding company and its 51% subsidiaries shall be treated as a single business (so that activities are disregarded to the extent that they are intra-group activities).”.

21 Years of assessment for which Part 4 has effect

This Part shall have effect for the year of assessment 2008 and ensuing years.

PART 5

CORPORATE TAXATION: 2009

22 Article 123C amended

For Article 123C(1) of the principal Law there shall be substituted the following paragraph–

- “(1) This Article applies to a company –
- (a) which is regarded as resident in Jersey or which has a permanent establishment in Jersey; and
 - (b) which is not a company to which Article 123D applies or a utility company”.

23 Article 123D amended

For Article 123D(1) of the principal Law there shall be substituted the following paragraph–

- “(1) This Article applies to a financial services company which has a permanent establishment in Jersey.”.

24 Years of assessment for which Part 5 has effect

This Part shall have effect for the year of assessment 2009 and ensuing years.

PART 6

TRADE OF PROPERTY DEVELOPMENT

25 Article 51 amended

In Article 51 of the principal Law–

- (a) in paragraph (1)(b), the words “or elsewhere” shall be deleted;
- (b) in paragraph (2), for the words “where the disposal is of land or any building or structure, or any part thereof, which is situated in Jersey, the land, building or structure” there shall be substituted the words “the land, building or structure, or part thereof,”.

26 Article 55 amended

In Article 55(2) of the principal Law the word “other” shall be deleted.

27 Article 62A amended

- (1) At the end of the heading to Article 62A of the principal Law, there shall be added the words “**of land etc. situated in Jersey**”.
- (2) In Article 62A of the principal Law–
 - (a) for the words “the profits or gains” there shall be substituted the words “any profits or gains”;
 - (b) the second comma shall be deleted.

28 Article 107A amended

In Article 107A of the principal Law–

- (a) in paragraph (1), for the words “in the case of the trade of property development, or under Schedule D, in any other case’ there shall be substituted the words “pursuant to Article 51(1)(b), or under Schedule D’;
- (b) in paragraph (4), the definition “the trade of property development” shall be deleted.

29 Article 108 amended

In Article 108 of the principal Law–

- (a) in paragraph (1), for the words “in the case of the trade of property development, or under Schedule D, in any other case’ there shall be substituted the words “pursuant to Article 51(1)(b), or under Schedule D’;
- (b) paragraph (4) shall be deleted.

30 Years of assessment for which Part 6 has effect

This Part shall have effect for the year of assessment 2009 and ensuing years.

PART 7

DEEMED DIVIDENDS, SHAREHOLDER LOANS AND FULL ATTRIBUTION

31 Article 3 amended

- (1) In Article 3(1) of the principal Law, the following definitions shall be inserted in their appropriate place in the alphabetical order of definitions –

“ ‘collective investment fund’ means a collective investment fund, within the meaning of the Collective Investment Funds (Jersey) Law 1988, which holds a permit by virtue of being a functionary within Group 1 in Part 2 of the Schedule to that Law’;”

“ ‘company subject to full attribution’ shall be construed in accordance with Article 85F(2);”

“ ‘deemed dividend’ shall be construed in accordance with Articles 81D and 81G’;”

“ ‘shareholder loan’ shall be construed in accordance with Article 81O’;”

“ ‘recognized stock exchange’ means any market for the buying and selling of securities which is situate in, and recognized as, a stock exchange within the meaning of the law relating to stock exchanges of –

- (a) any member State of the European Union;
 - (b) Australia, Canada, Hong Kong, Japan, Norway, Singapore, South Africa, Switzerland or the United States of America; and
 - (c) any other exchange approved in writing by the Minister;”.
- (2) After Article 3(1A) of the principal Law there shall be inserted the following paragraph–
- “(1B) In this Law, unless the context otherwise requires, a reference to the winding up of a company shall include a reference to the company becoming bankrupt and to the making of any compromise, arrangement or composition with its creditors.”.

32 Article 3AA amended

- (1) In the heading to Article 3AA of the principal Law, for the word “definition” there shall be substituted the words “financial services definitions”.
- (2) In Article 3AA of the principal Law, for the words “the definition” there shall be substituted the words “the definitions ‘collective investment fund’ and”.

33 Article 16 amended

In Article 16 of the principal Law –

- (a) in paragraph (1), after sub-paragraph (d) there shall be added the following sub-paragraphs –
 - “(e) the amount of any shareholder loan made to the person or to a member of the person’s family or household;
 - (f) the amount of any repayment or reimbursement by the person of a shareholder loan.”;
- (b) after paragraph (5) of Article 16 of the principal Law there shall be added the following paragraph–
 - “(6) For the purposes of this Article, any reference to disposal of a source includes, in relation to shares owned by an individual resident in Jersey which are comprised in the ordinary share capital of an unlisted financial services company or unlisted trading company, any occurrence or date described in Article 81F(1) or 81G(3).
 - (7) In paragraph (6)–
 - ‘unlisted financial services company’ has the meaning given in Article 81B;
 - ‘unlisted trading company’ has the meaning given in Article 81B”.

34 Article 20B inserted

After Article 20A of the principal Law there shall be inserted the following Article–

“20B Returns of information by companies

- (1) A company regarded as resident in Jersey or which has a permanent establishment in Jersey, shall, when required to do so by a general notice or by a notice served on the company by the Comptroller, and within the time limited by the notice, prepare and deliver to the Comptroller a true, complete and correct return containing, as required by the notice, all or any of the specified information for the period or year of assessment specified in the notice.
- (2) The requirement in paragraph (1) shall not apply to a collective investment fund.
- (3) Subject to paragraph (5), the specified information is, in respect of each person who, a

any time during the period or year of assessment specified in the notice is registered as a shareholder in the company –

- (a) the shareholder's name and address;
- (b) the number and class of shares held by the shareholder and the number of days in the period or year of assessment specified in the notice for which they were held;
- (c) dividends paid or issued to the shareholder specifying, in respect of each dividend, the information required by Article 89 and the date the dividend is paid or issued;
- (d) the amount of any shareholder loan made or paid by or derived from the company to a borrower or to a member of the borrower's family or household during the period, determined in accordance with Article 81O;
- (e) the amount repaid or reimbursed by a borrower in respect of any shareholder loan made or paid by or derived from the company in an earlier period;
- (f) the amount, per share comprised in the ordinary share capital of the company, of any dividend deemed to be received by an individual resident in Jersey, pursuant to Article 81D or 81G, out of the relevant profits of the company for the period or where a year of assessment is specified in the notice, out of the relevant profits on which tax is charged for that year;
- (g) the amount, per share comprised in the ordinary share capital of the company, on which an individual resident in Jersey is chargeable pursuant to Article 85F, as if it were the individual's income, profits or gains.

(4) The Comptroller –

- (a) may require a return to be in a form, and delivered in a manner, approved by the Comptroller; and
- (b) may require the secretary of the company, or other person acting as secretary for the time being, to sign a declaration that the information given in the return is true, complete and correct to the best of his or her knowledge.

(5) A company shall not be required to make a return of the information described in paragraph (3)(d) to (g) if the secretary of the company, or other person acting as secretary for the time being, has certified in writing to the Comptroller that, to the best of his or her knowledge, none of the ordinary share capital of the company is owned by an individual resident in Jersey.

(6) The secretary of the company or other person acting as secretary for the time being shall, by notice in writing to the Comptroller, withdraw a certificate given under paragraph (5), within 30 days of becoming aware that any part of the ordinary share capital of the company is owned by an individual resident in Jersey, whether he or she becomes so aware by reason of having received a request for a statement under Article 81K, 81L or 85G, or otherwise.

(7) If the secretary of the company or other person acting as secretary for the time being does not comply with paragraph (6) he or she shall be guilty of an offence and liable to a fine of level 3 on the standard scale.

(8) In this Article –

'borrower' has the same meaning as in Article 81O;

'relevant profits' has the same meaning as in Article 81B(1)".

35 Article 61 amended

In Article 61 of the principal Law–

- (a) in paragraph (1)–

- (i) the word “and” following sub-paragraph (b) shall be deleted,
- (ii) after sub-paragraph (c) there shall be inserted the following subparagraphs –
 - “(d) dividends deemed to be received by an individual resident in Jersey, in accordance with the following provisions of this Part; and
 - (e) shareholder loans, where the borrower, within the meaning of Article 81O, is an individual resident in Jersey, in accordance with the following provisions of this Part.”;
- (b) after paragraph (2) there shall be added the following paragraphs–
 - “(3) In paragraph (1), the references to annual profits or gains arising or accruing from any property include all dividends and other distributions of a company.
 - (4) Tax in respect of income arising from dividends and distributions of company shall not be charged on so much of the income as is a distribution of capital profits of the company.”.

36 Article 62 amended

- (1) In the heading to Article 62 of the principal Law, for the words “7 Cases” there shall be substituted the words “8 Cases”.
- (2) In Article 62(1) of the principal Law–
 - (a) in Case III, after subparagraph (e) there shall be added the following subparagraph –
 - “(f) dividends and other distributions of a company regarded as resident in Jersey;”
 - (b) in Case VI, for the words “Case VII” there shall be substituted the words “Case VII or VIII”;
 - (c) after Case VII there shall be inserted the following case–
 - “Case VIII.– tax in respect of –
 - (a) deemed dividends, in accordance with the following provisions of this Part;
 - (b) shareholder loans, in accordance with the following provisions of this Part.”.

37 Article 62B inserted

After Article 62A of the principal Law there shall be inserted the following Article–

“62B Application of Schedule D to stock dividends

- (1) Tax shall be charged under Schedule D on the issue of a stock dividend as if it were the payment of a cash dividend of equal value.
- (2) Unless the context otherwise requires, a reference in this Law to a dividend includes a stock dividend and a reference to payment of a dividend includes the issue of a stock dividend.”.

38 Articles 81B to 81P inserted

After Article 81A of the principal Law there shall be inserted the following cross heading and Articles–

“Case VIII

81B Interpretation of Articles 81B to 81N

(1) In Articles 81B to 81N–

‘relevant dividend’ means, in relation to the relevant profits of a financial period of a company, so much of any dividend as is paid or issued out of those profits, before the last day of the following financial period, in respect of a share comprised in the ordinary share capital of the company;

‘relevant financial period’ means a financial period –

- (a) for which a company does not pay or issue any relevant dividends out of its relevant profits; or
- (b) for which a company pays or issues relevant dividends out of its relevant profits where the relevant dividends have an aggregate value which is less than those profits;

‘relevant profits’ means –

- (a) in relation to a financial period of an unlisted trading company, the balance of the income, profits and gains on which the company is charged under Schedule D at the rate of 0% after –
 - (i) the making of any deduction or the giving of any allowance or relief to which the company is entitled under this Law,
 - (ii) the deduction of any amount paid, before the last day of the following financial period, out of such income, profits and gains as a dividend on preference shares in the company;
- (b) in relation to a financial period of an unlisted financial services company, the balance of the income, profits and gains on which the company is charged under Schedule D at the rate of 10% after–
 - (i) the making of any deduction or the giving of any allowance or relief to which the company is entitled under this Law,
 - (ii) the deduction of any amount paid, before the last day of the following financial period, out of such income, profits and gains as a dividend on preference shares in the company;

‘unlisted financial services company’ means a company to which Article 123D applies and which is not listed on a recognized stock exchange or on the Alternative Investment Market of the London Stock Exchange;

‘unlisted trading company’ means a company to which Article 123C applies and which is not –

- (a) a company subject to full attribution;
- (b) a collective investment fund; or
- (c) listed on a recognized stock exchange or on the Alternative Investment Market of the London Stock Exchange.

(2) The Minister may, by Order, amend the definitions ‘unlisted financial services company’ and ‘unlisted trading company’ in paragraph (1).

81C Basis of computation under Case VIII

Tax under Case VIII of Schedule D shall be computed–

- (a) on the full amount of any dividend deemed to have been paid in the year of assessment in accordance with Article 81D or 81G;
- (d) on the full amount attributable, in the year of assessment, to a shareholder loan, in accordance with Article 81O.

81D Deemed dividends: unlisted trading companies

- (1) This Article applies to an individual resident in Jersey who, at any time during a relevant financial period of an unlisted trading company, owns more than 5% of the ordinary share capital of that company.
- (2) The individual shall be deemed to receive a dividend out of the relevant profits of the relevant financial period.
- (3) The dividend shall be deemed to be received by the individual –
 - (a) as an interim dividend and a final dividend, in accordance with Articles 81E and 81F, where the relevant dividends paid or issued out of the company's relevant profits for the relevant financial period have an aggregate value which is less than the prescribed percentage of those profits;
 - (b) as a final dividend, in accordance with Article 81F, in any other case.
- (4) The States may by Regulations –
 - (a) amend the percentage mentioned in paragraph (1);
 - (b) prescribe a percentage for the purposes of paragraph (3)(a).

81E Deemed interim dividend

- (1) Subject to paragraphs (4) and (5), an interim dividend in respect of a relevant financial period shall be deemed to be received by an individual to whom Article 81D applies or the last day of the following financial period.
- (2) The amount of the interim dividend which is attributable to a share comprised in the ordinary share capital of an unlisted trading company shall be the product of the following formula –

$$\frac{A - B}{C}$$

Where –

A is the amount equal to the percentage, prescribed for the purposes of Article 81D(3)(a), of the relevant profits for the relevant financial period

B is the aggregate amount of the relevant dividends paid or issued out of the relevant profits

C is the number of shares comprising the ordinary share capital of the company during the relevant financial period.

- (3) The amount of the interim dividend that an individual to whom Article 81D applies is deemed to receive shall be the product of the following formula –

$$\frac{E}{F} \times G \times H$$

Where –

E is the number of days in the relevant financial period for which the individual owned more than the percentage mentioned in Article 81D(1) of the ordinary share capital of the company

F is the number of days in the relevant financial period

G is the number of shares comprised in the ordinary share capital of the company which are owned by the individual during the period determined in accordance

with E

H is the amount of the interim dividend attributable to a share comprised in the ordinary share capital of the company, determined under paragraph (2).

- (4) Where the winding up of the company commences before the day that the interim dividend would be deemed to be received by an individual by virtue of paragraph (1) and the winding up is not terminated, the interim dividend shall instead be deemed to be received by the individual on the completion of the winding up of the company.
- (5) Where an individual to whom Article 81D applies shall cease to be resident in Jersey before the day that an interim dividend would be deemed to be received by him or her by virtue of paragraph (1), and Article 126 does not apply in his or her case, the interim dividend shall instead be deemed to be received by the individual on the day before the day he or she ceases to be so resident.

81F Deemed final dividend

- (1) A final dividend in respect of a relevant financial period shall be deemed to be paid to an individual to whom Article 81D applies on whichever is the earliest of—
 - (a) the individual ceasing to own more than the percentage mentioned in Article 81D (1) of the ordinary share capital of the unlisted trading company;
 - (b) the completion of the winding up of the unlisted trading company;
 - (c) the individual's death;
 - (d) 31st December in a year of assessment where, for the following year of assessment, the unlisted trading company in which the shares are or were owned by the individual becomes, for the purposes of this Law, a company subject to full attribution;
 - (e) the day before the day the individual ceases to be resident in Jersey, unless Article 126 applies in his or her case.
- (2) For the purposes of paragraph (1)(a), it shall be immaterial whether or not the change of ownership of the shares is effected by a change in the registered shareholder.
- (3) Subject to paragraph (4), the amount of the final dividend which is attributable to a share comprised in the ordinary share capital of the company shall be the product of the following formula –

$$\frac{A - B}{C}$$

Where –

A is the relevant profits for the relevant financial period

B is the aggregate amount of the relevant dividends paid out of the relevant profits

C is the number of shares comprising the ordinary share capital of the company during the relevant financial period.

- (4) Where, pursuant to Articles 81D(3)(a) and 81E an interim dividend has been deemed to have been received by an individual in respect a relevant financial period, the amount of that dividend, determined in accordance with Article 81E(2) shall be deducted from the product of the formula in paragraph (3).
- (5) The amount of the final dividend that an individual to whom Article 81D applies is deemed to receive shall be the product of the following formula –

$$\frac{E}{F} \times G \times H$$

Where –

E is the number of days in the relevant financial period for which the individual owned more than the percentage mentioned in Article 81D(1) of the ordinary share capital of the company

F is the number of days in the relevant financial period

G is the number of shares comprised in the ordinary share capital of the company owned by the individual during the period determined in accordance with E

H is the amount of the final dividend attributable to a share comprised in the ordinary share capital of the company, determined in accordance with paragraphs (3) and (4).

81G Deemed dividend: unlisted financial services companies

- (1) This Article applies to an individual resident in Jersey who, at any time during a relevant financial period of an unlisted financial services company, owns more than 5% of the ordinary share capital of the company.
- (2) The individual shall be deemed to receive a dividend out of the relevant profits of the relevant financial period.
- (3) The dividend that an individual is deemed to receive under paragraph (2) shall be deemed to be paid to the individual on whichever is the earliest of –
 - (a) the individual ceasing to own more than the percentage mentioned in paragraph (1) of the ordinary share capital of the unlisted financial services company;
 - (b) the completion of the winding up of the unlisted financial services company;
 - (c) the individual's death;
 - (d) 31st December in a year of assessment where, for the following year of assessment, the unlisted financial services company becomes, for the purposes of this Law, a company subject to full attribution; or
 - (e) the day before the day the individual ceases to be resident in Jersey, unless Article 126 applies in his or her case.
- (4) For the purposes of paragraph (3)(a), it shall be immaterial whether or not the change of ownership of the shares is effected by a change in the registered shareholder.
- (5) The amount of the dividend that is attributable to a share comprised in the ordinary share capital of the company shall be the product of the following formula –

$$\frac{A - B}{C}$$

Where –

A is the relevant profits for the relevant financial period

B is the aggregate amount of the relevant dividends paid or issued out of the relevant profits

C is the number of shares comprising the ordinary share capital of the company during the relevant financial period.

- (6) The amount of the dividend that an individual to whom this Article applies is deemed to receive shall be the product of the following formula –

$$\frac{E}{F} \times G \times D$$

Where –

E is the number of days in the financial period for which the individual owned more than the percentage mentioned in paragraph (1) of the ordinary share capital of the company

F is the number of days in the relevant financial period

G is the number of shares comprised in the ordinary share capital of the company owned by the individual during the period determined in accordance with E

D is the amount of the dividend attributable to a share comprised in the ordinary share capital of the company, determined in accordance with paragraph (5).

- (7) Where an individual is deemed to receive a dividend pursuant to this Article, the amount of income tax chargeable in respect of the dividend shall be reduced by an amount equal to the product of the following formula –

$$\frac{E}{F} \times \frac{T \times G}{C}$$

Where –

E, F and G have the same values as in paragraph (6)

T is the amount of tax that the company is liable to pay under Schedule D on its relevant profits of the relevant financial period

C is the number of shares comprising the ordinary share capital of the company during the relevant financial period.

- (8) The States may by Regulations amend the percentage in paragraph (1).

81H Deemed interim dividend: individual ceases to be share owner before deemed payment date

An individual shall be liable to be assessed and taxed on a deemed interim dividend notwithstanding that, before the date the interim dividend is deemed to be received by the individual, he or she ceases to be the owner of any of the shares in respect of which the liability arises.

81I Deemed interim dividend: death of share owner

Where an individual deemed to receive an interim dividend pursuant to Articles 81D and 81E dies before the date the interim dividend is deemed to be paid, tax on the deemed interim dividend shall be assessed and charged on his or her heirs, executors or administrators and shall be a debt due from and payable out of the deceased's estate.

81J Dividend deemed to be received on death of share owner

A dividend deemed to be received by an individual on his or her death pursuant to Article 81F or 81G shall be assessed and charged on his or her heirs, executors or administrators and shall be a debt due from and payable out of the deceased's estate.

81K Deemed dividend: right to receive a deemed dividend statement from an unlisted trading company

- (1) An individual who is deemed to receive a dividend from an unlisted trading company pursuant to Article 81D in respect of a relevant financial period may, at any time after the end of the following financial period, apply in writing to the secretary of the

company or other officer performing the duties of secretary, for a statement in writing –

- (a) showing –
 - (i) the relevant financial period,
 - (ii) the date the interim dividend is deemed to be received, pursuant to Article 81E(1),
 - (iii) the amount of the interim dividend deemed to be received, in respect of each share comprised in the ordinary share capital of the company, pursuant to Article 81E(2),
 - (iv) the amount of the final dividend deemed to be received, in respect of each share comprised in the ordinary share capital of the company, pursuant to Article 81F(3), in the event of any occurrence or on any day described in Article 81F(1); and
 - (b) containing such information regarding Articles 81D to 81F and 81H to 81J, Article 82B and this Article as the Comptroller requires.
- (2) Where, at the time a statement is provided, the relevant profits of the company for the financial period have not been finally determined –
 - (a) the amounts to be determined for the purposes of paragraph (1)(a)(iii) and (iv) shall be based upon an estimate of those profits; and
 - (b) the amounts so determined shall be shown in the statement as an estimated amount.
 - (3) The secretary of the company or other officer performing the duties of secretary shall provide a statement within 30 days of receiving an application under paragraph (1).
 - (4) Where the company's relevant profits of the financial period are finally determined as an amount that differs from an estimate used for the purposes of paragraph (2), the secretary of the company or other officer performing the duties of secretary shall, no later than 90 days after the company's relevant profits of the financial period are finally determined, provide each person to whom a statement containing an estimated amount was provided, with a further statement showing the actual amounts required pursuant to paragraph (1)(a)(iii) and (iv).
 - (5) If the secretary of the company or other officer performing the duties of secretary does not comply with paragraph (3) or (4), he or she shall be guilty of an offence and liable to a fine of level 3 on the standard scale.

81L Deemed dividend: right to receive a deemed dividend statement from an unlisted financial services company

- (1) An individual who is deemed to receive a dividend pursuant to Article 81G in respect of a relevant financial period of an unlisted financial services company may, at any time after the end of the following financial period, apply in writing to the secretary of the company or other officer performing the duties of secretary for a statement in writing –
 - (a) showing –
 - (i) the relevant financial period,
 - (ii) the amount of the dividend deemed to be paid, in respect of each share comprised in the ordinary share capital of the company, pursuant to Article 81G(5), in the event of any occurrence or on any day described in Article 81G(3),
 - (iii) subject to paragraph (2), the amount of tax that the company is liable to pay under Schedule D on its relevant profits of the relevant financial period, that is attributable to each share comprised in the ordinary share capital of the company; and

- (b) containing such information regarding Articles 81G, 81I and 81J, Article 82B and this Article as the Comptroller requires.
- (2) Where, at the time a statement is provided, the relevant profits of the company for the financial period have not been finally determined or the amount of tax that the company is liable to pay under Schedule D on those relevant profits has not been assessed–
 - (a) the amount to be determined for the purposes of paragraph (1)(a)(ii) or (iii), as the case requires, shall be based upon an estimate of those profits or that liability; and
 - (b) the amount so determined shall be shown in the statement as an estimated amount.
- (3) The secretary of the company or other officer performing the duties of secretary shall provide a statement within 30 days of receiving an application under paragraph (1).
- (4) Where the company's relevant profits of the financial period are finally determined as, or its liability to tax under Schedule D on those relevant profits is assessed as, an amount that differs from an estimate used for the purposes of paragraph (2), the secretary of the company or other officer performing the duties of secretary shall, no later than 90 days after the company's relevant profits of the financial period are finally determined, or its liability to tax is assessed, as the case requires, provide each person to whom a statement containing an estimated amount was provided, with a further statement showing the actual amount required pursuant to paragraph (1)(a)(ii) or (iii), as the case requires.
- (5) If the secretary of the company or other officer performing the duties of secretary does not comply with paragraph (3) or (4), he or she shall be guilty of an offence and liable to a fine of level 3 on the standard scale.

81M Effect of change of status of company during financial period

- (1) This Article applies where –
 - (a) in the case of interim dividends and final dividends deemed to be received by an individual in respect of a financial period pursuant to Article 81D, a company is an unlisted trading company for part only of that financial period;
 - (b) in the case of dividends deemed to be received by an individual in respect of a financial period pursuant to Article 81G, a company is an unlisted financial services company for part only of that financial period.
- (2) Where this Article applies, for the purposes of Articles 81D and 81G–
 - (a) there shall be disregarded, in determining any period, any day or days for which the company is not an unlisted trading company or, as the case requires, an unlisted financial services company;
 - (b) there shall be taken into consideration only such portion of the relevant profits of the financial period or such portion of the relevant dividends paid or issued out of those profits as equates to the portion of the financial period for which the company is an unlisted trading company or, as the case requires, an unlisted financial services company.

81N Credit for tax on deemed dividend

- (1) This Article applies where –
 - (a) pursuant to Article 81D or 81G, a dividend is deemed to be received by an individual out of the relevant profits of a company for a relevant financial period; and
 - (b) a dividend is paid or issued out of those profits on or after the last day of the financial period following the financial period referred to in sub-paragraph (a).

- (2) Where this Article applies an individual who has paid tax on a deemed dividend described in paragraph (1)(a) shall be entitled to a credit, in an amount equal to the amount of tax paid, against his or her liability to tax on any dividend described in paragraph (1)(b).

81O Shareholder loans

- (1) A shareholder loan is a loan –
 - (a) to an individual resident in Jersey who owns shares in a company to which Article 123C or 123D applies and which is not a company subject to full attribution (referred to in this Article as ‘the borrower’) or to a member of that individual’s family or household;
 - (b) made, paid by or derived from that company –
 - (i) where the company is a company described in sub-paragraph (a) from the day of its incorporation, on or after that day,
 - (ii) where the company becomes a company described in sub-paragraph (a) in a year of assessment, on or after the first day of that year.
- (2) For the purposes of paragraph (1), the cases in which a company is to be regarded as making a loan to an individual shall include a case where –
 - (a) that individual incurs a debt from the company; or
 - (b) a debt due from that individual to a third person is assigned to the company.
- (3) For the purposes of paragraph (1), a loan is derived from a company to a borrower or to member of his or her family or household where –
 - (a) the company makes a loan or advance which, apart from this paragraph, is not a shareholder loan; and
 - (b) some person other than the company makes a payment or transfers property to, or releases or satisfies, in whole or in part a liability of, the borrower or of a member of the borrower’s family or household.
- (4) However, the following loans and debts shall not be shareholder loans –
 - (a) a loan advanced at a commercial rate where –
 - (i) the ordinary business carried on by the company includes money lending, and
 - (ii) the company is authorized, pursuant to an enactment, to carry on a business which includes money lending;
 - (b) a debt incurred for the supply by the company of goods or services in the ordinary course of its trade or business, unless the period of credit given exceeds 6 months or is longer than that normally given to the company’s customers;
 - (c) any loan charged to tax as the emolument of any office or employment, by virtue of Article 65B.
- (5) The amount attributable to a shareholder loan for the year of assessment in which it is made or paid by, or otherwise derived from, the company shall be the aggregate of the amounts paid by the company in that year in respect of the loan, less the aggregate of the sums repaid or reimbursed by the borrower to the company in that year in respect of the loan.
- (6) Where a borrower charged to tax for a year of assessment in respect of a shareholder loan proves, to the satisfaction of the Comptroller, that he or she has made a repayment or reimbursement to the company in respect of that loan in a subsequent year of assessment, the borrower shall be entitled to a credit against his or her liability to tax for

the subsequent year in an amount equal to the product of –

$$\frac{S}{O} \times T$$

Where –

S = the amount repaid or reimbursed by the borrower in the subsequent year of assessment

O = the amount attributable to the loan, in accordance with paragraph (5), for the year in which it is made, paid by, or otherwise derived from the company

T = the amount of tax charged on the borrower pursuant to this Article for the year in which the loan is made, paid by, or otherwise derived from the company.

- (7) Subject to paragraph (8), a borrower shall be entitled, in any year of assessment, to a deduction in respect of the first £1,000 of the aggregate of the amounts attributable to shareholder loans for that year, determined in accordance with paragraph (5).
- (8) A deduction allowed under paragraph (7) and any reduction allowed under Article 651 (3) shall not exceed, in the aggregate, £1,000 in any year of assessment.
- (9) A borrower may make an election, for any year of assessment, as to the shareholder loan or loans against which the deduction to which he or she is entitled under paragraph (7) shall be allowed and, where his or her election relates to 2 or more loans, as to so much of the deduction as is to be allowed against each of them.
- (10) An election under paragraph (9) must be made no later than the 31st March following the year of assessment.
- (11) In determining, for the purposes of this Article, the sums repaid or reimbursed by the shareholder, there shall be disregarded any payment of interest.

81P Shareholder loans: statements to be provided to borrower

- (1) Where a company makes a shareholder loan, the secretary of the company or other officer performing the duties of secretary shall, no later than 31st March following the year in which the loan is made or paid by or otherwise derived from the company, provide the borrower with a statement, in writing, showing the amount attributable to the loan for that year, in accordance with Article 81O.
- (2) Where, in any year following the year in which a loan described in paragraph (1) is made or paid by or otherwise derived from the company, the borrower makes a repayment or reimbursement in respect of the loan, the secretary of the company or other officer performing the duties of secretary shall, no later than 31st March following the year in which the repayment or reimbursement is made, issue the borrower with a statement, in writing, showing –
 - (a) the amount repaid or reimbursed by the borrower in the year;
 - (b) the amount attributable to the loan, in accordance with Article 81O, for the year in which it was made or paid by or otherwise derived from the company.
- (3) If the secretary of the company or other officer performing the duties of secretary does not comply with paragraph (1) or (2), he or she shall be guilty of an offence and liable to a fine of level 3 on the standard scale.
- (4) In this Article ‘the borrower’ has the same meaning as in Article 81O’.

39 Article 82 amended

- (1) At the beginning of Article 82 of the principal Law there shall be inserted the paragraph number“(1)”

and the words “Subject to paragraph (2) and to Articles 82B and 85F”.

(2) After paragraph (1) there shall be added the following paragraph–

“(2) Tax on a shareholder loan shall be charged on and paid by the borrower described in Article 81O(1)”.

40 Article 82B inserted

After Article 82A of the principal Law there shall be inserted the following Article–

“82B Payment of tax by trustees

- (1) This Article applies where an individual owns shares comprised in the ordinary share capital of a company by virtue of being a beneficiary of a trust and, by virtue of such ownership –
 - (a) would be liable, pursuant to Article 81D or 81G, to be assessed and taxed on a deemed dividend; or
 - (b) would be liable, pursuant to Article 85F, to be assessed and taxed on his or her share of the balance of the company’s income, profits and gains chargeable under Schedule D.
- (2) Where this Article applies the trustees of the trust shall be assessed and taxed as the agents of the individual.
- (3) Where trustees pay tax pursuant to this Article, the payment shall be deemed, for the purposes of the administration of the trust, to be a distribution to the individual unless the terms of the trust provide otherwise.”.

41 Articles 85F to 85H inserted

After Article 85E of the principal Law there shall be inserted the following cross heading and Articles–

“Full attribution of company profits

85F Individuals chargeable in respect of a company subject to full attribution

- (1) This Article applies to an individual resident in Jersey who, at any time during a financial period of a company subject to full attribution, owns more than 5% of the ordinary share capital of that company.
- (2) A company is a company subject to full attribution if it is a company to which Article 123C applies and–
 - (a) it is not a trading company or a collective investment fund; or
 - (b) 25% or more of the company’s profits or gains comprise payments made pursuant to agreements with other persons for the supply of the services of an individual who owns shares in the company, or of an individual who is a person connected with an individual who owns shares in the company, in circumstances in which, but for the agreement and the interposition of the company, the other person and the individual would be employer and employee.
- (3) The individual shall be assessed and taxed at the standard rate on his or her portion of the company’s relevant profits of the financial period, as if that portion was the individual’s own income, profits and gains.
- (4) For the purposes of paragraph (3), the relevant profits of the company for the financial

period means the balance of the income, profits and gains on which the company is charged under Schedule D at the rate of 0% after—

- (a) the making of any deduction or the giving of any allowance or relief to which the company is entitled under this Law;
 - (b) the deduction of any amount paid, before the last day of the following financial period, out of such income, profits or gains as a dividend on preference shares in the company.
- (5) For the purposes of paragraph (3), a repayment of tax under Article 133 shall be taken into account, in computing the balance of the company's income, profits and gains, as if it were an allowance given to the company.
 - (6) Tax shall be charged on the individual under paragraph (3) using the same basis of computation as would apply to the company by virtue of Articles 85A to 85E.
 - (7) The relevant profits of the company described in paragraph (4) shall be divided by the number of shares comprising the ordinary share capital of the company to produce the amount of that balance that is attributable to a share comprised in the ordinary share capital of the company.
 - (8) Subject to paragraphs (10), (11) and (12), the portion of the relevant profits of the company on which an individual is assessed and taxed, pursuant to paragraph (3), as if it were the individual's own income, profits or gains, shall be the product of the following formula —

$$\frac{A}{B} \times C \times D$$

Where —

A is the number of days in the financial period for which the individual owned more than the percentage of the ordinary share capital of the company mentioned in paragraph (1)

B is the number of days in the financial period

C is the number of shares comprised in the ordinary share capital of the company which are owned by the individual during the period determined in accordance with A

D is the portion attributable to a share comprised in the ordinary share capital of the company in accordance with paragraph (7).

- (9) In the case of an individual who, if he or she had not died, would, pursuant to paragraph (3), have become chargeable to income tax for any year, the tax which would have been so chargeable on the individual—
 - (a) shall be assessed and charged on the individual's executors and administrators; and
 - (b) shall be a debt due from and payable out of the individual's estate.
- (10) Paragraph (8) shall not apply where all of the individuals who would be assessed and taxed for a year of assessment on the balance of the income, profits and gains of a company which is a company subject to full attribution by virtue of falling within paragraph (2)(b) have elected, for that year, for the income, profits and gains to be apportioned between them in a manner specified in the election.
- (11) An election under paragraph (10) must be made no later than 90 days after the end of the financial period by reference to which the charge to tax for the year of assessment is computed.
- (12) Where an election is made pursuant to paragraphs (10) and (11), the individuals shall be assessed and taxed for the year of assessment on their respective portions of the balance

of the income, profits and gains of the company in accordance with the election.

- (13) Notwithstanding paragraph (3), where an individual who is liable to be assessed and taxed pursuant to that paragraph ceases to be resident in Jersey and Article 126 does not apply in his or her case, the Comptroller may instead assess and tax the company on the individual's portion of the balance of the company's income, profits and gains.
- (14) The States may by Regulations amend the percentage in paragraph (1).

85G Right to receive statement from company subject to full attribution

- (1) An individual who is to be assessed and taxed under Article 85F for a year of assessment may, at any time after the end of the financial period by reference to which his or her liability to tax would be computed for that year, apply in writing to the secretary of the company subject to full attribution or other officer performing the duties of secretary, for a statement, in writing showing –
 - (a) the financial period by reference to which tax would be computed for that year;
 - (b) the portion of the company's relevant profits that is attributable to a share comprised in the ordinary share capital of the company, pursuant to Article 85F (7),and containing such information regarding Articles 82B, 85F and this Article as the Comptroller requires.
- (2) Where, at the time a statement is provided, the relevant profits of the company for the financial period have not been finally determined –
 - (a) the amount to be determined for the purposes of paragraph (1)(b) shall be based upon an estimate of those profits; and
 - (b) the amount so determined shall be shown in the statement as an estimated amount.
- (3) The secretary of a company subject to full attribution or other officer performing the duties of secretary shall provide a statement within 30 days of receiving an application under paragraph (1).
- (4) Where the company's relevant profits of the financial period are finally determined as an amount that differs from an estimate used for the purposes of paragraph (1)(b), the secretary of the company or other officer performing the duties of secretary shall, no later than 90 days after the company's relevant profits of the financial period are finally determined, provide each person to whom a statement containing an estimated amount was provided, with a further statement showing the actual amounts required pursuant to paragraph (1)(b).
- (5) If the secretary of the company or other officer performing the duties of secretary does not comply with paragraph (3) or (4), he or she shall be guilty of an offence and liable to a fine of level 3 on the standard scale.

85H Credit for tax on full attribution

An individual who has paid tax on his or her share of a company's relevant profits, pursuant to Article 85F, shall be entitled to a credit, not exceeding the amount of tax paid, against his or her liability to pay tax on any dividend paid out of those profits in respect of a share comprised in the ordinary share capital of the company.”.

42 Article 88 amended

After paragraph (5) of Article 88 of the principal Law there shall be added the following paragraph-

“(6) This Article shall apply to the issue of a stock dividend as it applies to the payment of a cash dividend.”.

43 Article 89 amended

After paragraph (1) of Article 89 of the principal Law there shall be inserted the following paragraph–

“(1A) This Article shall apply to the issue of a stock dividend as it applies to the issue of a warrant, cheque or other order drawn in payment of a cash dividend.”.

44 Article 133 amended

In Article 133 of the principal Law–

- (a) at the beginning of paragraph (4) there shall be inserted the words “Subject to paragraph (4A);”;
- (b) after paragraph (4) there shall be inserted the following paragraph–

“(4A) Where the claim is made by a company subject to full attribution, the notice shall be given before whichever is the earlier of the following –

- (a) the expiration of the period of 3 months following the company’s accounting date in the year of assessment;
- (b) 31st January following the year of assessment.”.

45 Article 137 amended

In Article 137 of the principal Law–

- (a) in paragraph (2) after the words “Article 16,” there shall be inserted the words “whether the document is required to be delivered or furnished to the Comptroller or to another person,”;
- (b) in paragraph (3), after the words “paragraph (1)” there shall be inserted the words “or (2)”.

46 Schedule 5 amended

After paragraph 5 of Schedule 5 to the principal Law there shall be inserted the following paragraph–

“5A Income Tax (Amendment No. 29) (Jersey) Law 2009 transitional provision for financial period beginning before but ending on or after 1st January 2009

Where a company first becomes a company to which Article 123C or 123D applies in or for the year of assessment 2009, and the first financial period of the company to end on or after 1st January 2009 began before that date–

- (a) the profits and gains arising in the financial period;
- (b) any losses accruing during, or reliefs and allowances to which the company is entitled under this Law for, the financial period; and
- (b) any individual’s ownership of shares in the company during the financial period,

shall be taken into consideration in determining any individual’s liability to tax under this Law for the year of assessment 2009 or any ensuing year, notwithstanding that the profits and gains arise, the losses accrue, the entitlement to the reliefs or allowances arises or the shares are owned, before 1st January 2009”.

47 Years of assessment for which Part 7 has effect

This Part shall have effect for the year of assessment 2009 and ensuing years.

PART 8

**APPLICATION OF AMENDMENTS TO PRINCIPAL LAW TO CERTAIN COMPANIES
INCORPORATED ON OR AFTER 3RD JUNE 2008 AND TAXED AT 0% OR 10%**

48 Application of Part 8

(1) This Part applies –

- (a) to a company to which Article 123C applies for the year of assessment 2008, being a company –
 - (i) which is first regarded as resident in Jersey, or which first has a permanent establishment in Jersey, on or after 3rd June 2008, and
 - (ii) which is not a company to which Article 123D applies or a utility company; and
- (b) to a company to which Article 123D applies for the year of assessment 2008, being a financial services company which first has a permanent establishment in Jersey on or after 3rd June 2008.

(2) In paragraph (1)–

“financial services company” has the same meaning as it has in the principal Law for the year of assessment 2008;

“utility company” has the same meaning as it has in the principal Law as amended by Article 6 of this Law.

49 Parts 5 and 7 of the Income Tax (Amendment No. 28) (Jersey) Law 2007 applied for 2008

- (1) Notwithstanding Article 42 of the Income Tax (Amendment No. 28) (Jersey) Law 2007, the principal Law shall have effect for the year of assessment 2008, in the case of any company to which this Part applies and in the case of any owner of any shares comprised in the ordinary share capital of the company, as it is amended by Part 5 of the Income Tax (Amendment No. 28) (Jersey) Law 2007.
- (2) Notwithstanding Article 51 of the Income Tax (Amendment No. 28) (Jersey) Law 2007, the principal Law shall have effect for the year of assessment 2008, in its application to a payment by a company to which this Part applies, as it is amended by Part 7 of the Income Tax (Amendment No. 28) (Jersey) Law 2007.

50 Parts 6 and 7 of this Law applied for 2008

Notwithstanding Articles 30 and 47 of this Law, the principal Law shall have effect for the year of assessment 2008, in the case of any company to which this Part applies and in the case of any owner of any shares comprised in the ordinary share capital of the company, as it is amended by Parts 6 and 7.

51 Schedule 5 amended

After paragraph 5 of Schedule 5 to the principal Law there shall be added the following paragraph–

“6 Income Tax (Amendment No. 28) (Jersey) Law 2007 and Income Tax (Amendment No. 29) (Jersey) Law 2008 application to company incorporated on or after 3rd June 2008

- (1) By virtue of Articles 48, 49(1) and 50 of the Income Tax (Amendment No. 29) (Jersey) Law 2008, this Law has effect, for the year of assessment 2008, in the case of a company to which Part 8 of that Law applies and in the case of any owner of shares comprised in the ordinary share capital of the company, as it is amended by –
 - (a) Part 5 of the Income Tax (Amendment No. 28) (Jersey) Law 2007; and
 - (b) Parts 6 and 7 of the Income Tax (Amendment No. 29) (Jersey) Law 2008.
- (2) By virtue of Article 49(2) of the Income Tax (Amendment No. 29) (Jersey) Law 2008, this Law has effect, for the year of assessment 2008, in its application to a payment by a company to which Part 8 of that Law applies, as it is amended by Part 7 of the Income Tax (Amendment No. 28) (Jersey) Law 2007.
- (3) Part 8 of the Income Tax (Amendment No. 29) (Jersey) Law 2008 applies –
 - (a) to a company to which Article 123C applies for the year of assessment 2008, being a company –
 - (i) which is first regarded as resident in Jersey, or which first has a permanent establishment in Jersey, on or after 3rd June 2008, and
 - (ii) which is not a company to which Article 123D applies or a utility company; and
 - (b) to a company to which Article 123D applies for the year of assessment 2008, being a financial services company which first has a permanent establishment in Jersey on or after 3rd June 2008.”.

52 Year of assessment for which Part 8 has effect

This Part has effect for the year of assessment 2008 and ensuing years.

PART 9

MISCELLANEOUS AND CLOSING

53 Article 118B amended

- (1) In Article 118B of the principal Law, after sub-paragraph (d) there shall be added the following sub-paragraphs –
 - “(e) interest paid by a company regarded as resident in Jersey;
 - (f) the profits and earnings of the office of director of a company;
 - (g) any royalty or other sum paid in respect of the user of a patent.”.
- (2) This Article shall have effect for the year of assessment 2009 and ensuing years.

54 Article 149A amended

In Article 149A of the principal Law–

- (a) the Article text shall become and be numbered as paragraph (1);
- (b) after paragraph (1) there shall be added the following paragraph–

| “(2) The Minister may by Order amend Schedules 5 and 6”.

55 Citation

This Law may be cited as the Income Tax (Amendment No. 29) (Jersey) Law 200.

